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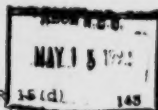
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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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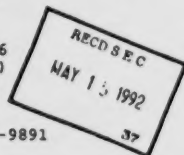
FORM 10Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934For the quarter ended
March 31, 1992

Commission File Number 0-13404

FIRST COLONIAL BANKSHARES CORPORATION
(Exact name of registrant as specified in its charter)Delaware
(State of Incorporation)36-2981200
(I.R.S. Employer
Identification No.)30 North Michigan Avenue
Chicago, Illinois
(Address of Principal
Executive Offices)L36
PROCESSED BY14-13-1
MAY 18 199260602-3496
(ode)Microfilmed by
Q-Data Corp. - St. Petersburg, FLRegistrant's Telephone
Including Area Code

(312) 419-9891



Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes X No _____Class of Common Stock
Class A Common Stock
\$1.25 Par Value
Class B Common Stock
\$1.25 Par ValueOutstanding as of
April 30, 1992
7,862,969
1,597,720**BEST COPY
AVAILABLE**

FIRST COLONIAL BANKSHARES CORPORATION AND SUBSIDIARIES

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FIRST COLONIAL BANKSHARES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands)
(Unaudited)

	March 31, 1992	December 31, 1991
Assets		
Cash and noninterest bearing deposits	\$ 79,376	\$ 68,734
Federal funds sold	23,090	10,895
Cash and cash equivalents	<u>102,466</u>	<u>79,629</u>
Money market instruments	59,911	110,044
Investment securities (approximate market values of \$404,998 and \$460,669)	405,057	453,481
Loans	926,104	920,858
Allowance for credit losses	<u>(10,651)</u>	<u>(10,567)</u>
Net loans	915,453	910,271
Premises and equipment	19,319	18,565
Other assets	35,724	32,889
Goodwill	<u>29,995</u>	<u>30,450</u>
Total assets	<u>\$ 1,567,925</u>	<u>\$ 1,635,329</u>
Liabilities and Stockholders' Equity		
Deposits:		
Noninterest bearing	\$ 223,549	\$ 224,708
Interest bearing	<u>1,143,133</u>	<u>1,190,049</u>
Total deposits	1,366,682	1,414,757
Short term borrowings	47,761	70,113
Accrued taxes and other liabilities	14,586	15,640
Long term debt:		
Qualifying as Tier 2 capital	3,489	3,489
Other	<u>10,727</u>	<u>10,702</u>
Total long term debt	14,216	14,191
Total liabilities	1,443,245	1,514,701
Stockholders' equity:		
Preferred stock, Series A	3,928	3,928
Preference stock, Series B	1,200	1,200
Common stock:		
Class A	10,404	10,235
Class B	2,348	2,350
Surplus	50,681	49,123
Retained earnings	62,490	60,163
Treasury stock	<u>(6,371)</u>	<u>(6,371)</u>
Total stockholders' equity	124,680	120,628
Total liabilities and stockholders' equity	<u>\$ 1,567,925</u>	<u>\$ 1,635,329</u>

See accompanying notes to consolidated financial statements.

FIRST COLONIAL BANKSHARES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(In Thousands)
(Unaudited)

For the Three Months Ended March 31,
1992 1991

Net interest income:		
Interest income:		
Loans, including fees	\$ 21,228	\$ 24,799
Federal funds sold	221	295
Money market instruments	1,288	852
Investment securities:		
Taxable	5,460	5,163
Exempt from federal taxes	822	1,791
Total interest income	<u>29,019</u>	<u>32,900</u>
Interest expense:		
Deposits	13,239	17,110
Short term borrowings	749	735
Long term debt	<u>313</u>	<u>690</u>
Total interest expense	<u>14,301</u>	<u>18,535</u>
Net interest income	<u>14,718</u>	<u>14,365</u>
Provision for credit losses	<u>848</u>	<u>803</u>
Net interest income after provision for credit losses	<u>13,870</u>	<u>13,562</u>
Noninterest income:		
Service charges on deposits	2,188	1,882
Trust fees	565	537
Mortgage banking income	607	558
Investment advisory income	968	224
Leasing income	273	306
Investment securities gain (loss), net	421	206
Other operating income	<u>868</u>	<u>818</u>
Total noninterest income	<u>5,890</u>	<u>4,531</u>
Noninterest expense:		
Salaries and employee benefits	6,516	6,443
Net occupancy expense	1,626	1,614
Equipment expense	723	708
Data processing expense	820	805
FDIC insurance premiums	796	631
Amortization of goodwill	465	451
Other operating expenses	<u>3,410</u>	<u>2,892</u>
Total noninterest expense	<u>14,356</u>	<u>13,544</u>
Income before income taxes	<u>5,404</u>	<u>4,549</u>
Income taxes	<u>1,810</u>	<u>1,188</u>
Net income	<u>3,594</u>	<u>3,361</u>
Dividend requirements of preferred stocks	<u>120</u>	<u>120</u>
Net income applicable to common stock	<u>\$ 3,474</u>	<u>\$ 3,241</u>
Fully diluted earnings per share	\$.35	\$.33

See accompanying notes to consolidated financial statements.

FIRST COLONIAL BANKSHARES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Month Period Ended March 31,
(In Thousands)
(Unaudited)

	1992	1991
Operating activities:		
Net income	\$ 3,594	\$ 3,361
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization and depreciation	2,301	1,465
Provision for credit losses	848	803
Net (gains) on sales of investment securities	(421)	(206)
Net amortization/accretion of investment premiums and discount	1,567	(477)
(Increase) decrease in interest receivable	1,893	(601)
Increase (decrease) in interest payable	(889)	(130)
(Increase) decrease in other assets	(5,038)	(615)
Increase (decrease) in other liabilities	(242)	(1,427)
Net cash provided by operating activities	<u>3,613</u>	<u>2,173</u>
Investing activities:		
(Increase) decrease in money market instruments	50,133	11,555
Proceeds from sales of investment securities	27,800	34,270
Proceeds from maturities and calls of investment securities	119,959	122,359
Purchases of investment securities	(100,506)	(186,547)
(Increase) decrease in loans	(6,076)	13,807
Purchases of equipment and leasehold improvements	(2,226)	(699)
Net cash used by investing activities	<u>89,084</u>	<u>(5,255)</u>
Financing activities:		
Increase (decrease) in deposit accounts	(48,051)	(10,937)
Increase (decrease) in short term borrowing	(22,352)	(390)
Issuances of long term debt	568	1,127
Payments on long term debt	(543)	(279)
Cash dividends	(1,147)	(1,105)
Proceeds from the exercise of stock options	1,665	444
Net cash provided by financing activities	<u>(69,860)</u>	<u>(11,140)</u>
Increase (decrease) in cash and cash equivalents	22,837	(14,222)
Cash and cash equivalents at beginning of year	79,629	86,769
Cash and cash equivalents at end of period	<u>\$ 102,466</u>	<u>\$ 72,547</u>

See accompanying notes to consolidated financial statements.

FIRST COLONIAL BANKSHARES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments necessary to present fairly the financial position of First Colonial Bankshares Corporation and subsidiaries as of March 31, 1992 and December 31, 1991 and the results of its operations for the three periods ended March 31, 1992 and 1991, and statements of cash flows for the three month periods then ended.

The results of operations for the three month periods ended March 31, 1992 and 1991 are not necessarily indicative of the results to be expected for the full year. Certain re-classifications were made to the 1992 financial statements to conform to the 1992 presentation.

2. The Company is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers and to reduce its own exposure to fluctuations in interest rates at March 31, 1992. These financial instruments include commitments to extend credit of \$255.7 million, loans sold with recourse of \$18.5 million, standby and commercial letters of credit of \$17.3 million, and interest rate swaps of \$109.5 million notional value. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the accompanying balance sheets. No losses are anticipated as a result of these contracts.

3. Supplemental disclosure of cash flow information (in thousands):

	For the three month period ended September 30	
	1992	1991
Income taxes paid to federal and state governments	\$ 142	\$ 1,012
Interest paid to depositors and creditors	\$15,190	\$ 19,089

FIRST COLONIAL BANKSHARES CORPORATION AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

First Colonial earned \$3.6 million in the first quarter of 1992 compared with \$3.4 million in the first quarter of 1991. On a fully diluted per share basis, net income was \$.35 in 1992 and \$.33 in 1991. Net income has been bolstered in 1992 from various sources of noninterest income. Fees derived from deposit account relationships and from the sale of investment and insurance products have shown significant increases.

Net interest income on a fully taxable equivalent basis for the quarter was \$182,000 lower for the first quarter of 1991, a 1.2% decrease. Average earning assets were \$1.450 billion in 1992, a 5.3% increase over the \$1.377 billion in 1991. Net interest margin decreased to 4.29% from 4.56% in 1991, corresponding to a period of falling interest rates. Interest rates on deposits have been lowered more slowly than the decline in rates earned on loans and investments. Also contributing to the decline in net interest margin is a shift in the composition of assets, with loans of \$926 million having declined \$7 million from the first quarter of 1991. Higher yielding loans are replaced by lower yielding investment securities.

The Company's provision for credit losses of \$848,000 in the first quarter of 1992 was slightly higher than the first quarter of 1991. Management continually reviews loan portfolio quality and records provisions in amounts necessary to adequately cover anticipated losses. As of March 31, 1992 the allowance for loan losses represents 1.15% of loans, compared to 1.09% as of March 31, 1991 and 1.15% as of December 31, 1991.

Nonperforming loans increased to \$25.3 million as of March 31, 1992 from \$15.9 million one year earlier. The composition of nonperforming loans is: nonaccrual \$14.4 million; past due 90 days and still accruing \$9.7 million; restructured loans \$.1 million; and other real estate \$1 million. Net charge-offs for the first quarter periods were \$784,000 in 1992 and \$798,000 in 1991. As a percentage of average loans, net charge-offs were .09% during both quarters.

The breakdown of the loan portfolio by category in terms of dollars outstanding, total nonperforming and other real estate, and net charge-offs for the first quarter of 1992 was as follows (in thousands):

Category	Loans	Nonperforming	Net
		Assets	Charge-Offs
Commercial and industrial	\$229,241	\$ 7,692	\$630
Real estate construction	38,378	2,521	0
Real estate mortgage	564,259	12,904	53
Consumer	65,742	1,185	44
Lease financing	<u>28,484</u>	<u>962</u>	<u>57</u>
	\$926,104	\$25,264	\$784

Noninterest income rose to \$5.9 million in 1992 from \$4.5 million one year earlier, a 30% increase. Revenues from the sale of investment and insurance products have quadrupled for the first quarter to \$968,000 compared with \$224,000 for 1991. Fees derived from deposit account relationships were \$2.2 million for the first quarter of 1992 compared with \$1.9 million one year ago, a 16% increase. Income recognized from the sale of securities was \$421,000 for the first quarter of 1992, compared to \$206,000 in 1991.

Noninterest expense increased to \$14.4 million in the first quarter of 1992 from \$13.5 million in 1991, a 6% increase. All categories of noninterest expense increased from a year ago.

Salary and employee benefits increased only \$73,000 to \$6.5 million in 1992 as the Company decided to temporarily maintain all staff salaries at 1991 levels.

FDIC deposit insurance premiums have increased by \$165,000 to \$796,000 for the first quarter of 1992 compared with \$631,000 for the same period in 1991. Deposit insurance premiums have increased to current levels of 23 cents per \$100 on deposit from 19.5 cents in effect for the first quarter of 1991.

Other operating expenses increased to \$3.4 million for the first quarter of 1992 compared with \$2.9 million for the same period in 1991. Increases over 1991 figures were noted in postage, legal, foreclosed property and investment advisory expenses.

Capital Resources

For the first three months of 1992, 134,256 shares of Class A common stock were issued under the Company's stock-option plans generating \$1.7 million of new capital.

At March 31, 1992, the Company's Tier 1 and Total Risk-based capital ratios were 8.97% and 10.33% respectively; and its Tier 1 Leverage Ratio was 6.10%. The capital ratios are significantly above the minimums of 4.00% for Tier 1 and 8.00% for total capital mandated by the Federal Reserve System by year end 1992. The leverage ratio is also above the current 3% minimum.

On April 20, 1992 the Company issued 805,000 depositary shares of Series C Preference stock at \$25 per share. Each share is convertible into 1.389 shares of Class A Common stock and may be redeemable at the option of the Company at \$25 per depositary share after June 30, 1997. Dividends will be paid at the end of each calendar quarter at an annual rate of \$1.75 per depositary share. Net proceeds of \$19.4 million from the offering were used to pay down existing short term debt.

Liquidity

Liquidity measures the ability of the Company to meet maturing obligations and existing commitments, to withstand fluctuations in deposit levels, to fund operations, and to provide for customer credit needs.

Balance sheet sources of liquidity include investment securities particularly those of a short term duration, excess funds sold, time deposits in other banks, bankers acceptances, and the sale and runoff of assets from commercial, consumer, real estate and lease portfolios. Demand deposits, savings accounts, money market deposit accounts and certificates of deposit provide the Company with a sizeable source of stable funds. The Company also has the ability to purchase excess funds to meet short term liquidity needs. Liquidity is also enhanced by "off balance sheet" sources, including the development in recent years of large markets for securitized loans, especially residential mortgage loans and automobile installment contracts and the ability to borrow funds in the money and capital markets.

Interest Rate Sensitivity

The Company attempts to mitigate the effects of changes in interest rates by adjusting its asset and liability mix to achieve desired relationships between rate sensitive assets and rate sensitive liabilities.

The Company's policy is to maintain a gap (the difference between total rate sensitive assets and liabilities within a specified time horizon) of plus or minus 5 percent of total assets. This range has been determined after careful consideration of repricing characteristics of various asset and liability categories, including historical relative volatilities of rates earned and paid on these instruments.

The Company considers savings accounts to be 18 percent rate sensitive. That is, for every 1 percent change in the general level of interest rates, it is estimated that the savings deposit rate will change by .18 percent. Similarly, the Company considers money market deposit accounts and interest bearing demand deposit accounts to be 60% to 100% rate sensitive, depending upon the characteristics of a particular account type.

Following are the balances and repricing characteristics in the major categories of assets and liabilities at March 31, 1992 (in thousands):

	Less Than 6 Months	6 Months To 1 Year	Over 1 Year	Total
Rate sensitive assets:				
Money market instruments	59,911	-	-	59,911
Federal funds sold	23,090	-	-	23,090
Investment securities	144,029	38,768	222,260	405,057
Loans	413,314	75,912	436,878	926,104
Total earning assets	640,344	114,680	659,138	1,414,162
Rate sensitive liabilities:				
Money market deposit accounts	190,058	47,911	100,922	338,891
Certificates of deposit of \$100,000 or more	104,208	12,720	5,317	122,245
Savings and NOW deposits	53,814	-	245,166	298,980
Other deposits	255,076	66,656	61,285	383,017
Nondeposit liabilities	49,554	1,810	10,613	61,977
Total interest bearing sources	652,710	129,097	423,303	1,205,110
Effect of interest rate swaps	13,500	-	(13,500)	-
Noninterest bearing sources	6,742	-	202,310	209,052
Total sources of funds	672,952	129,097	612,113	1,414,162
Net interest rate sensitive GAP	(32,608)	(14,417)	47,025	-
Cumulative GAP at March 31, 1992	(32,608)	(47,025)	-	-
- as a percentage of total assets	-2.0%	-2.9%	-	-
Cumulative GAP at March 31, 1991				
Cumulative GAP at March 31, 1991	(35,886)	(49,019)	-	-
- as a percentage of total assets	-2.4%	-3.2%	-	-

Part II - Other Information

Item 6. Exhibits and Reports on Form 8-K

Exhibit Number 11

Statement re: computation of
per share earnings

Reports on Form 8-K

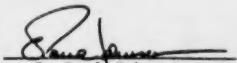
None were required for the three
month period ended March 31,
1992

SIGNATURES

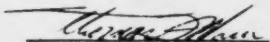
Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FIRST COLONIAL BANKSHARES CORPORATION
(Registrant)

Date: May 13, 1992


C. Paul Johnson
Chairman
Chief Executive Officer

Date: May 13, 1992


Thomas J. Mayer
Executive Vice President
Chief Financial Officer

FIRST COLONIAL BANKSHARES CORPORATION AND SUBSIDIARIES

COMPUTATION OF PRIMARY AND FULLY DILUTED
EARNINGS PER SHARE

(Amounts in thousands, except per share amounts)

	Three Months Ended March 31	
	1992	1991
Primary:		
A. Net income applicable to common stock	\$3,474	\$3,241
B. Weighted average common shares outstanding	9,424	9,286
C. Common stock equivalents generated from stock options	271	89
D. Common stock equivalents generated from mandatory stock purchase contracts	230	207
E. Adjusted common shares outstanding (B+C+D)	9,925	9,582
Net income per common shares (A ÷ E)	<u>\$.35</u>	<u>\$.34</u>
Fully diluted:		
A. Net income applicable to common stock	\$3,474	\$3,241
B. Weighted average common shares outstanding	9,424	9,286
C. Common stock equivalents generated from stock options	271	243
D. Common stock equivalents generated from mandatory stock purchase contracts	230	225
E. Adjusted common shares outstanding (B+C+D)	9,925	9,754
Net income per common shares (A ÷ E)	<u>\$.35</u>	<u>\$.33</u>